

## Message Text

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45

ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

DRC-01 /193 W

----- 106802

R 291600Z OCT 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 2294

INFO USMISSION EC BRUSSELS

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

USMISSION OECD PARIS

AMEMBASSY SOFIA

AMEMBASSY WARWAW

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E.O.11652 NA

TAGS ETRD GATT PL

SUBJ POLISH CUSTOMS TARIFF: REQUEST FOR U.S. REACTION

1. ON OCTOBER 26, TWO MEMBERS OF POLISH TNC DELEGATION (BARTOSZEWICZ, MINISTRY OF FOREIGN TRADE WARSAW AND DANIAL OF GENEVA MISSION) REQUESTED MEETING WITH ECON COUNSELOR TO DISCUSS AND SEEK U.S. REACTION TO POSSIBLE POLISH INTRODUCTION OF A CUSTOMS TARIFF. THEY GAVE CULBERT FOLLOWING MEMO: QUOTE:

IN CONNECTION WITH ECONOMIC REFORMS IN POLAND THE POLISH GOVERNMENT INTENDS TO INTRODUCE A CUSTOMS TARIFF. RELEVANT WORK HAS ALREADY BEEN UNDERTAKEN. IT IS THE INTENTION OF THE POLISH GOVERNMENT TO PARTICIPATE IN THE NEW ROUND OF  
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MULTILATERAL TRADE NEGOTIATIONS MAINLY ON THE BASIS OF

THIS TARIFF. INTRODUCTION OF THE TARIFF MAY GIVE RISE TO RENEGOTIATION OF THE SCHEDULE LXV-POLAND. APPROPRIATE ADJUSTMENTS IN THE PROTOCOL ON POLAND'S ACCESSION MIGHT ALSO BE ENVISAGED. END QUOTE.

2. IN RESPONSE TO QUESTIONS, POLISH REPS SAID:

(A) FORMAL DECISION TO INTRODUCE TARIFF NOT RPT NOT YET TAKEN. POLISH MINISTERS RECENTLY DISCUSSED INTERNAL STUDY ON SUBJECT AND REQUESTED STAFF LEVELS TO PREPARE MORE DETAILED PROPOSAL INCLUDING RATES TO BE APPLIED TO DIFFERENT CATEGORIES OF GOODS. THIS WORK CURRENTLY UNDERWAY. DECISION IN PRINCIPLE TO INTRODUCE TARIFF MIGHT BE TAKEN BEFORE END OF 1973 BUT POLISH REPS CONSIDERED MID-1974 WAS EARLIEST POSSIBLE DATE IT COULD ACTUALLY BE APPLIED, GIVEN AMOUNT OF DETAILED WORK THAT REMAINS AND NEED TO ACQUAINT POLISH ENTERPRISES AND CUSTOMS OFFICIALS WITH NEW SYSTEM.

(B) PRIME MOTIVATION ALLEGEDLY IS DESIRE TO MODIFY DECISION-MAKING BY POLISH ENTERPRISES ALONG LINES ADOPTED BY HUNGARY, I.E. TO MAKE FIRMS RESPONSIBLE FOR EARNING A PROFIT, REDUCE STATE ROLE INFIXING PRICES, AND PROVIDE ENTERPRISES WITH MORE AUTOMATIC DEVICE (THE TARIFF) FOR CALCULATING COSTS OF IMPORTS. A SECONDARY MOTIVE WAS SAID TO BE CONCERN ABOUT POLAND'S ABILITY TO CONTINUE IN PERPETUITY ITS CURRENT GATT QUANTITATIVE IMPORT COMMITMENT. THEY DENIED SUGGESTION POLAND MIGHT HOPE TO USE HIGH TARIFF AS LEVERAGE TO PERSUADE EC AND OTHER WESTERN EUROPEANS TO ELIMINATE DISCRIMINATORY QRS.

(C) NO DECISION YET TAKEN WHETHER PROSPECTIVE TARIFF WOULD OR WOULD NOT BE APPLIED TO IMPORTS FROM CENTRALLY-PLANNED ECONOMIES. (WE INTERPRET THIS AS DEFENSIVE RESPONSE TO OUR PROBING ON THIS POINT; INITIALLY, POLISH REPS IMPLIED TARIFF WOULD NOT APPLY AT CEMA PARTNERS AS TARIFF MADE NO SENSE ON IMPORTS UNDER LONG TERM CONTRACTS AT FIXED AND ENGOTIATED PRICES; WHEN WE OBSERVED THIS WOULD VIOLATE GATT ARTICLE I, POLES FELL BACK ON NO DECISION YET TAKEN.)

(D) POLES INTERPRET PROTOCOL OF THEIR ACCESSION TO GATT AS NO BARRIER TO INTRODUCTION OF TARIFF. POLAND'S PRESENT GATT LIMITED OFFICIAL USE

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COMMITMENT WOULD CONTINUE UNTIL RENEGOTIATED WITH CPS, PERHAPS DURING MTN.

(E) POLAND HAS THUS FAR NOTIFIED ONLY U.S. AND EC ABOUT THEIR TARIFF INTENTIONS AND SEEKING REACTIONS FROM BOTH. EC REP LOYTEN RECEIVED COPY OF MEMO PARA. 1 ABOVE SAME DAY BUT OFFERED NO COMMENT PENDING CONSULTATION WITH BRUSSELS.

3. ECON COUNSELOR PROMISED SEEK WASHINGTON GUIDANCE. ON PERSONAL BASIS, THOUGHT QUESTION OF WHETHER PROSPECTIVE TARIFF WOULD OR WOULD NOT BE APPLICABLE TO CEMA COUNTRIES LIKELY BE MOST DIFFICULT POINT TO HANDLE IN GATT; IF POLES DECLARE IT WILL APPLY TO CEMA TRADE, SOME CPS MAY WONDER HOW THIS WOULD WORK IN PRACTICE AND PERHAPS SUSPECT IT A PAPER TRANSACTION WITH DE FACTO REFUNDING; IF POLES ADMIT IT WILL NOT APPLY TO CEMA TRADE, POLAND WOULD NEED GATT WAIVER WHICH MAY BE DIFFICULT TO OBTAIN. WE NOTED HUNGARIAN SITUATION NOT VALID PRECEDENT BECAUSE NO CP WILLING FOR POLITICAL REASONS TO REJECT HUNGARIAN APPLICATION JOIN GATT AND HUNGARY WAS WILLING JOIN ONLY WITH WAIVER FOR NON-APPLICATION OF TARIFF TO CEMA TRADE; POLAND IS ALREADY A CP AND IT NOT SELF-EVIDENT WHY OTHER CPS SHOULD AGREE TO PERMIT POLAND BEGIN APPLYING TARIFFS TO IMPORTS FROM MOST CPS BUT NOT CEMA. WE SAID OUR READING OF POLISH PROTOCOL IS THAT POLAND IS FREE TO INTRODUCE A NON-DISCRIMINATORY TARIFF SINCE THIS ANALOGOUS TO RAISING AN UNBOUND RATE BUT CAUTIONED THAT ACCEPTANCE BY CPS OF POLISH TARIFF AS REPLACEMENT FOR QUANTITATIVE IMPORT COMMITMENT WOULD REQUIRE NEGOTIATION ON LEVEL OF POLISH TARIFF.

4. GUIDANCE REQUESTED IF WASHINGTON CONSIDERS IT DESIRABLE GIVE POLIES MORE FORMAL INDICATION OF U.S. VIEWS BEFORE THEY MAKE OWN DECISION. BASSIN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CUSTOMS DUTIES, IMPORTS, TRADE AGREEMENTS, PRICES  
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**Copy:** SINGLE  
**Draft Date:** 29 OCT 1973  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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